



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**FILED**  
03-15-07  
11:00 AM

Order Instituting Rulemaking to Consider )  
Revisions to the General Rate Case Plan )  
for Class A Water Companies. )  
\_\_\_\_\_ )

R.06-12-016  
(filed December 14, 2006)

REPLY COMMENTS OF CALIFORNIA WATER ASSOCIATION  
TO COMMENTS OF CALIFORNIA DEPARTMENT OF HEALTH SERVICES  
ON PROPOSED RATE CASE PLAN

John K. Hawks  
Executive Director  
CALIFORNIA WATER ASSOCIATION  
601 Van Ness Avenue, Suite 2047  
Mail Code #E3-608  
San Francisco, CA 94102-3200  
Tel: (415) 561-9650  
Fax: (415) 561-9652  
email: [jhawks\\_cwa@comcast.net](mailto:jhawks_cwa@comcast.net)

NOSSAMAN, GUTHNER, KNOX & ELLIOTT LLP

Martin A. Mattes  
Jose E. Guzman, Jr.

50 California Street, 34th Floor  
San Francisco, CA 94111  
Tel: (415) 398-3600  
Fax: (415) 398-2438  
e-mail: [jguzman@nossaman.com](mailto:jguzman@nossaman.com)

Attorneys for CALIFORNIA WATER ASSOCIATION

March 15, 2007

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider	)	
Revisions to the General Rate Case Plan	)	R.06-12-016
for Class A Water Companies.	)	(filed December 14, 2006)
<hr/>		

REPLY COMMENTS OF CALIFORNIA WATER ASSOCIATION  
TO COMMENTS OF CALIFORNIA DEPARTMENT OF HEALTH SERVICES  
ON PROPOSED RATE CASE PLAN

On March 9, 2007, by electronic mail, the State of California Department of Health Services (“DHS”) distributed to the service list in this proceeding a copy of an October 27, 2006 letter from Rufus B. Howell, Acting Chief of DHS’ Division of Drinking Water and Environmental Management, to Kevin Coughlan, Director of the Commission’s Water Division. The DHS letter offers “recommendations to strengthen CPUC oversight of ... regulated water systems” in connection with the then “draft Rate Case Plan Water Quality submission requirements for the Results of Operations Reports in General Rate Case (GRC)” proceedings. A copy of the DHS letter is attached hereto as Exhibit 1.

By subsequent electronic mail to the service list on March 9, 2007, Assigned Administrative Law Judge Regina DeAngelis ruled that she would accept the DHS letter as comments on the Rate Case Plan proposed in the Order Instituting Rulemaking in this proceeding, and she provided for the filing of comments on the DHS letter by March 15, 2007. California Water Association (“CWA”) submits these reply comments in response to the DHS letter.

CWA supports the DHS recommendations. Although, as DHS recognizes, the “CPUC already receives much of the [recommended] information during [its] normal course of business”, the information described in Items 1 through 9 of the DHS letter should be a required

formal part of GRC filings with the Commission. Not only, as DHS notes, will this “increase awareness of the actions that have been taken to ensure that the water supply meets drinking water standards,” it also will enhance the Commission’s ability to actively exercise its own authority to enforce compliance with water quality standards.

CWA, however, does have a suggestion regarding one item on DHS’ list. A utility’s response to Item 8 in the DHS letter – an “explanation as to how [water quality] regulations that are likely to be promulgated in the next five years may affect [a utility’s] operations” – will necessarily reflect an individual utility’s expectations and preferences regarding proposed regulations. DHS itself will be a primary reference source for prospective regulations, especially if the recently introduced “adopt by reference” legislation (SB 1079) becomes law. It follows, therefore, that the utilities will base their estimates of operational effects on regulatory proposals published by DHS, U.S. EPA, and the Commission. Accordingly, it would be helpful if DHS would annually provide the Commission and affected utilities a list of proposed rules or regulations that DHS considers likely to be adopted by U.S. EPA, DHS itself, and other regulatory agencies over the next five-year period.

DATED: March 15, 2007

Respectfully submitted,

NOSSAMAN, GUTHNER, KNOX & ELLIOTT LLP

Martin A. Mattes  
Jose E. Guzman, Jr.



By \_\_\_\_\_  
Jose E. Guzman, Jr.

John K. Hawks  
Executive Director  
CALIFORNIA WATER ASSOCIATION  
601 Van Ness Avenue, Suite 2047  
Mail Code #E3-608  
San Francisco, CA 94102-3200  
Tel: (415) 561-9650  
Fax: (415) 561-9652  
email: [jhawks\\_cwa@comcast.net](mailto:jhawks_cwa@comcast.net)

50 California Street, 34th Floor  
San Francisco, CA 94111  
Tel: (415) 398-3600  
Fax: (415) 398-2438  
e-mail: [jguzman@nossaman.com](mailto:jguzman@nossaman.com)

Attorneys for CALIFORNIA WATER ASSOCIATION

## CERTIFICATE OF SERVICE

I, Jeannie Wong, hereby certify that on this date I will serve the foregoing  
REPLY COMMENTS OF CALIFORNIA WATER ASSOCIATION ON COMMENTS OF  
CALIFORNIA DEPARTMENT OF HEALTH SERVICES ON PROPOSED RATE CASE  
PLAN on the service list for Rulemaking 06-12-016 by electronic mail:

eosann@starpower.net; leigh@parkwater.com; rdiprimio@valencia.com; bkelly@swwc.com;  
mlwhitehead@sgvwater.com; kswitzer@gswater.com; jhawks\_cwa@comcast.net; mlm@cpuc.ca.gov;  
lweiss@steefel.com; ldolqueist@steefel.com; sleeper@steefel.com; jguzman@nossaman.com;  
mmattes@nossaman.com; sferraro@calwater.com; broeder@greatoakswater.com;  
palle\_jensen@sjwater.com; dstephen@amwater.com; darlene.clark@amwater.com;  
waterrul@dhs.ca.gov; mnader@mhchomes.com; staff@hpsears.net; ruralwater@earthlink.net;  
derinda@lomgil.com; tom@alcowater.com; pine@littlebearwater.com; lsilva@amwater.com;  
dave@laredolaw.net; ffarina@cox.net; sjmoore600@aol.com; dale@mayacama.com;  
erikson@snowcrest.net; hsm@cpuc.ca.gov; vcc@cpuc.ca.gov; des@cpuc.ca.gov; dsb@cpuc.ca.gov;  
flc@cpuc.ca.gov; jrc@cpuc.ca.gov; jws@cpuc.ca.gov; mkb@cpuc.ca.gov; rac@cpuc.ca.gov;  
rmd@cpuc.ca.gov; sbh@cpuc.ca.gov; tpy@cpuc.ca.gov; ywc@cpuc.ca.gov

Executed this 15<sup>th</sup> day of March, 2007 in San Francisco, California.

/S/ JEANNIE WONG

Jeannie Wong